

Transworld Publishers Limited

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Annual report
for the year ended 30 June 1997

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Directors' report for the year ended 30 June 1997

The directors present their report and the audited consolidated financial statements for the year ended 30 June 1997.

Principal activities

The principal activity of the group continues to be publishing and distribution of paperback books through its "Corgi" and "Bantam" divisions and hardback books through its "Bantam Press", "Partridge Press" and "Doubleday" divisions.

Review of business

Turnover increased by £3,898,000 or 6.0% during the year and the directors report a consolidated profit after tax for the financial year of £10,042,000 (1996: £8,212,000). The directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends and transfers to reserves

The directors declared a dividend of £7,000,000 which was paid during the year. On payment of the dividend, £3,042,000 has been transferred to the group's reserves.

Directors and their interests in shares in the company

The following directors of the company held office during the year to 30 June 1997:

M Barty-King (Managing Director)	P Janson-Smith
J Blake	E Laczynska
A Davies	U Mackenzie
P Dickinson	I Manhire
L Finlay	E Mott (Resigned 17 January 1997)
T Pink	W Hayhurst
G Prior	B Hempstead
G Rumpf	J Hoeft
P Scherer (Resigned 1 January 1997)	S Rubin

The directors had no interests to be disclosed under Schedule 7(2) of the Companies Act 1985.

Employment of disabled persons

Every effort is made by the group to employ its quota of disabled persons and this is dependent solely on the ability of the person seeking employment to meet the job requirements.

The group's policy on training, career development and promotion of disabled employees is, wherever possible, identical to that for all other employees.

In the event of an employee becoming disabled it is the group's usual practice to ensure their continued employment, but with appropriate training where necessary.

The group's offices are designed, wherever possible, to provide facilities and amenities for disabled people.

Employee communications and involvement

It is our usual practice to charge departmental managers with the responsibility for day to day communications.

Charitable contributions

The contributions made by the group during the year for charitable purposes were £14,000 (1996: £6,000), of which £8,000 was paid under covenant to registered charities.

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit of the company and the group for that period.

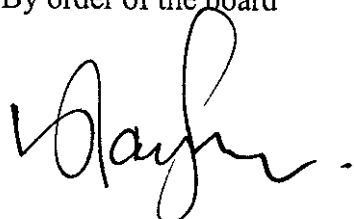
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 June 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for the group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'W Hayhurst', written over the printed name.

W Hayhurst

Company Secretary

Report of the auditors to the members of Transworld Publishers Limited

We have audited the financial statements on pages 5 to 25.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

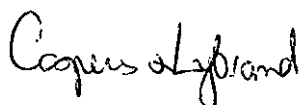
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30 June 1997 and of its profit and total recognised gains and losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors
London

12 June 1998

**Consolidated profit and loss account
for the year ended 30 June 1997**

	Notes	Continuing operations 1997 £'000	Continuing operations 1996 £'000
Turnover	2	69,309	65,411
Cost of sales		(32,103)	(32,014)
Gross profit		37,206	33,397
Other operating expenses	3	(22,790)	(22,213)
Operating profit		14,416	11,184
Income from interests in associated undertakings		35	-
Interest income and other similar income		676	593
Interest payable and similar charges	6	(97)	(74)
Profit on ordinary activities before taxation	7	15,030	11,703
Taxation	8	(4,988)	(3,491)
Profit for the financial year		10,042	8,212
Dividends	10	(7,000)	(6,000)
Retained profit for the year		3,042	2,212

Movements on reserves are set out in note 23.

Auditors' report page 4.

Note of historical cost profits and losses

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Statement of total recognised gains and losses

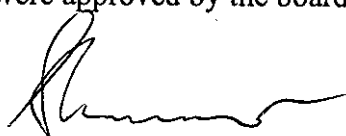
	1997	1996
	£'000	£'000
Profit for the financial year	10,042	8,212
Currency translation difference on foreign currency net investments	(299)	299
Total gains recognised since last annual report	<u>9,743</u>	<u>8,511</u>

Balance sheet at 30 June 1997

	Notes	Group		Company	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
Fixed assets					
Intangible assets	11	13	400	13	400
Tangible assets	12	4,462	4,000	3,525	3,109
Investments	14	-	77	502	579
		<u>4,475</u>	<u>4,477</u>	<u>4,040</u>	<u>4,088</u>
Current assets					
Stocks	15	6,051	5,607	4,528	4,144
Debtors: amounts falling due within 1 year	16	21,336	19,194	21,087	19,873
Debtors: amounts falling due after more than 1 year	16	2,753	2,179	2,753	2,179
Cash at bank and in hand		6,520	7,108	5,280	2,932
		<u>36,660</u>	<u>34,088</u>	<u>33,648</u>	<u>29,128</u>
Creditors: amounts falling due within 1 year	17	<u>(23,887)</u>	<u>(24,049)</u>	<u>(22,009)</u>	<u>(20,916)</u>
Net current assets		12,773	10,039	11,639	8,212
Total assets less current liabilities		<u>17,248</u>	<u>14,516</u>	<u>15,679</u>	<u>12,300</u>
Creditors: amounts falling due after more than 1 year	18	<u>(214)</u>	<u>(225)</u>	<u>(147)</u>	<u>(142)</u>
Net assets		<u>17,034</u>	<u>14,291</u>	<u>15,532</u>	<u>12,158</u>
Capital and reserves					
Called up share capital	22	5	5	5	5
Translation reserve	23	453	752	-	-
Profit and loss account	23	16,576	13,534	15,527	12,153
Equity shareholders' funds	25	<u>17,034</u>	<u>14,291</u>	<u>15,532</u>	<u>12,158</u>

These accounts were approved by the board of directors on 12/06 1998 and were signed on its behalf by :

Director



B Hempstead

The notes on pages 8 to 25 form part of these accounts.

Auditors' report page 4.

**Notes to the financial statements
for the year ended 30 June 1997****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The accounts are prepared under the historical cost convention.

Basis of consolidation

The group profit and loss account and balance sheet include the results and balances of the company and those companies which were its subsidiaries during the 12 months ended 30 June 1997. Internal sales and profits are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiaries and associates is amortised over its expected useful economic life of 7 years and has now been fully written off against reserves.

Licences

Licenses represent an amount paid for certain publishing rights. This is being amortised on a straight line basis over the period during which, in the opinion of the directors, it is considered that economic benefit will be derived.

Tangible fixed assets

Tangible fixed assets are shown at original cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of fixed assets on a straight line basis over their estimated useful lives as follows:-

Long leasehold buildings - 50 years (2% per annum)

Leasehold improvements - 5 years

Plant and machinery - 4 to 10 years (10% to 25% per annum) or over the term of the leases, whichever is shorter.

Motor vehicles - Over the term of the leases.

Finance and operating leases

Assets held under finance leases are included in the balance sheet at cost to the lessor less depreciation. Payments are apportioned between capital and interest. The interest is charged to the profit and loss account as it accrues and the outstanding capital commitments are included in creditors.

Operating lease expenditure is written off as incurred. The group's commitment for rental payments under operating leases is disclosed in note 24.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is based on:-

- | | |
|-------------------------------------|----------------------------------------------------------------------|
| Raw materials | - purchase cost on a first in, first out basis, including transport. |
| Work in progress and finished goods | - cost of direct materials and labour. |

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated to sterling at rates of exchange ruling at the end of the financial year, and the results of foreign subsidiaries are translated at the average rate of exchange for the whole year. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies, and from the translation of the results of those companies at the average rate, are taken to reserves.

Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods sold in the normal course of business, less returns and provision for anticipated returns.

Royalties paid in advance

Advances paid to authors in respect of future royalties to be earned on sales of their books are carried forward as an asset in the balance sheet until they are either recouped by royalties earned on books sold or provided against because their future recoverability is considered doubtful.

Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the

extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

Pension costs

A pension scheme is operated by the company and is available to all staff over the age of 21. The scheme is a defined benefit scheme, fully funded, and one to which employees are required to contribute. The assets of the scheme are administered and maintained by trustees separately from those of the company, with independent qualified actuaries as advisers. The actuarial method used is the projected unit method.

The provisions of SSAP 24 have been applied to determine the company's pensions charge for the period. An analysis of pension costs is included in note 21.

No assumption has been made relating to discretionary increases in respect of pensions in payment. Pension charges, therefore, include the amount of the discretionary increases provided in the period.

Actuarial valuations are undertaken every three years or more frequently when circumstances demand.

Cash flow statement

The company is a wholly owned subsidiary of Bantam Doubleday Dell Publishing (UK) Limited, a company registered in England and Wales. The ultimate parent company of both the company and Bantam Doubleday Dell Publishing (UK) Limited is Bertelsmann AG, a company incorporated in Germany.

Consolidated accounts, including a cash flow statement, are produced for the Bertelsmann group. Hence, under the provisions of Financial Reporting Standard 1, Cash Flow Statements (Revised), no cash flow statement is presented.

2 Analysis by geographical area

The analysis by geographical area of the group's turnover is set out below.

Turnover	1997	1996
	£'000	£'000
United Kingdom	47,448	43,803
Australia/New Zealand	15,816	16,440
Rest of world	6,045	5,168
	<u>69,309</u>	<u>65,411</u>

3 Other operating expenses

	1997	1996
	£'000	£'000
Distribution costs	10,826	10,368
Administrative expenses	11,964	11,845
	<u>22,790</u>	<u>22,213</u>

4 Directors' emoluments

	1997	1996
	£'000	£'000
Aggregate emoluments	1,565	1,777
Other emoluments (including pension contributions and benefits in kind)	414	470
	<u>1,565</u>	<u>1,777</u>

All directors, with the exception of M. Barty-King, S. Rubin, A. Davies, G. Rumpf and J. Hoeft are members of the defined benefit scheme and were so in the previous year. Aggregate emoluments and other emoluments include amounts paid to the highest-paid director of £266,000. No amount was paid to the defined benefit scheme on behalf of the highest paid director.

5 Employee information

The average weekly number of persons (including executive directors) employed by the group during the year was:

	1997 Number	1996 Number
Selling and marketing	102	103
Distribution	61	58
Administration	144	141
	<u>307</u>	<u>302</u>
	£'000	£'000

Staff costs (for the above persons)

Wages and salaries	9,581	8,732
Social security costs	603	604
Other pension costs	1,118	942
	<u>11,302</u>	<u>10,278</u>

6 Interest payable and similar charges

	1997 £'000	1996 £'000
On bank loans, overdrafts and other loans		
Repayable within 5 years, not by instalments	23	1
On loans from group companies	-	-
On finance leases and hire purchase contracts	74	73
	<u>97</u>	<u>74</u>

7 Profit on ordinary activities before taxation

	1997	1996
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of licence	406	400
Depreciation charge for the year on tangible fixed assets	1,402	1,346
Auditors' remuneration - group	76	81
- company	45	45
Hire of plant and machinery - operating leases	44	76
Hire of other assets - operating leases	1,121	988
Profit on disposal of fixed assets	198	155

The licence is being amortised on a straight line basis over its expected useful economic life of 5 years.

8 Taxation

	1997	1996
	£'000	£'000
United Kingdom corporation tax (33%)	4,169	3,021
Overseas taxation:		
Current	819	867
(Over)/under provision in respect of prior years	-	(397)
	<u>4,988</u>	<u>3,491</u>

Included within the UK corporation tax charge is £964,000 (1996 £271,000) representing a payment to a Bertelsmann group company for group relief of the company's UK tax liability.

No provision is made for taxation liabilities which would arise on the distribution of profits retained by overseas subsidiaries because there is no intention in the foreseeable future that such profits will be remitted.

9 Profits for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	1997 £'000	1996 £'000
Dealt with in the accounts of the holding company	10,374	7,777
Retained by subsidiary companies	(332)	435
	<u>10,042</u>	<u>8,212</u>

10 Dividends paid

	1997 £'000	1996 £'000
Ordinary:		
Final dividend paid of £1,400 per share (1996: £1,200 per share)	<u>7,000</u>	<u>6,000</u>

11 Intangible fixed assets

Group and company	Licences	Total
	£'000	£'000
Cost		
At 30 June 1996	2,000	2,000
Additions	19	19
At 30 June 1997	2,019	2,019
Depreciation		
At 30 June 1996	1,600	1,600
Charge for the year	406	406
At 30 June 1997	2,006	2,006
Net book value	13	13
at 30 June 1997		
Net book value	400	400
at 30 June 1996		

12 Tangible fixed assets

Group

	Buildings		Plant and	Motor	Total
	Long Lease	Leasehold Improvements	Machinery	Vehicles	
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 30 June 1996	1,946	1,891	4,396	1,222	9,455
Exchange differences	-	(50)	(182)	(27)	(259)
Additions	115	785	584	572	2,056
Disposal	-	-	(41)	(544)	(585)
At 30 June 1997	2,061	2,626	4,757	1,223	10,667
Depreciation					
At 30 June 1996	503	884	3,401	667	5,455
Exchange differences	-	(25)	(137)	(16)	(178)
Charge for the year	55	400	541	406	1,402
Eliminated in respect of disposals	-	-	(36)	(438)	(474)
At 30 June 1997	558	1,259	3,769	619	6,205
Net book value At 30 June 1997	1,503	1,367	988	604	4,462
Net book value At 30 June 1996	1,443	1,007	995	555	4,000

Company

	Buildings				Total £'000
	Long Lease	Leasehold Improvements	Plant and Machinery	Motor Vehicles	
	£'000	£'000	£'000	£'000	
Cost or valuation					
At 30 June 1996	1,946	1,457	2,820	990	7,214
Additions	115	783	287	381	1,566
Disposal	-	-	(36)	(414)	(450)
At 30 June 1997	2,061	2,241	3,071	957	8,330
Depreciation					
At 30 June 1996	503	700	2,328	573	4,104
Charge for the year	55	366	342	335	1,098
Eliminated in respect of disposals	-	-	(35)	(362)	(397)
At 30 June 1997	558	1,066	2,635	546	4,805
Net book value At 30 June 1997	1,503	1,175	436	411	3,525
Net book value At 30 June 1996	1,443	757	492	417	3,109

13 Capitalised finance leases

Included in tangible fixed assets are the following leased assets:

	Plant and machinery		Motor vehicles	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Cost	17	-	1,009	918
Accumulated depreciation	(16)	-	(568)	(527)
	<u>1</u>	<u>-</u>	<u>441</u>	<u>391</u>
Depreciation charge for the year	<u>1</u>	<u>-</u>	<u>364</u>	<u>325</u>

14 Fixed assets investments

Group	Associated Undertakings £'000		
Cost or valuation			
At 30 June 1996 and 30 June 1997			77
Amounts written off			
At 30 June 1996			-
Written off in period			(77)
At 30 June 1997			(77)
Net book value At 30 June 1997			Nil
Net book value At 30 June 1996			77
Company	Interests in group undertakings £'000	Associated Undertakings £'000	Total £'000
Cost or valuation			
At 30 June 1996 and 30 June 1997	502	77	579
Amounts written off			
At 30 June 1996	-	-	-
Written off in period	-	(77)	(77)
At 30 June 1997	-	(77)	(77)
Net book value At 30 June 1997	502	Nil	502
Net book value At 30 June 1996	502	77	579

Interests in group undertakings

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held by company
Trading			
Transworld Publishers (Australia) PTY Limited	Australia	Ordinary	100%
Transworld Publishers (New Zealand) Limited	New Zealand	Ordinary	100%
Transworld Publishers (Pty) Limited	South Africa	Ordinary	49.75%
Non trading			
Bantam Books Limited	Great Britain	Ordinary	100%
Corgi Books Limited	Great Britain	Ordinary	100%
Carousel Books Limited	Great Britain	Ordinary	100%

The interest in Transworld Publishers (Pty) Limited, incorporated in South Africa, has been accounted for as a fixed asset investment. The difference that would result if this investment were accounted for under the equity accounting method is not considered to be material.

The principal activities of all companies is the publishing and distribution of books.

15 Stocks

	Group		Company	
	1997	1996	1997	1996
	£'000	£'000	£'000	£'000
Raw materials and consumables	528	495	502	469
Work in progress	538	698	498	619
Finished goods and goods for sale	4,985	4,414	3,528	3,056
	<u>6,051</u>	<u>5,607</u>	<u>4,528</u>	<u>4,144</u>

16 Debtors

	Group		Company	
	1997	1996	1997	1996
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Royalties paid in advance	6,944	4,722	6,658	4,559
Trade debtors	7,640	6,123	7,592	5,658
Amounts owed by group undertakings	2,661	2,247	3,617	4,578
Other debtors	1,383	1,467	602	531
Prepayments and accrued income	625	552	535	464
ACT recoverable	2,083	4,083	2,083	4,083
	<u>21,336</u>	<u>19,194</u>	<u>21,087</u>	<u>19,873</u>
Amounts falling due after more than one year				
Royalties paid in advance	2,753	2,179	2,753	2,179
	<u>24,089</u>	<u>21,373</u>	<u>23,840</u>	<u>22,052</u>

Of the amount owed to the company by group undertakings, £1,886,000 (1996: £2,697,000) is owed by its own subsidiaries.

17 Creditors: amounts falling due within 1 year

	Group		Company	
	1997	1996	1997	1996
	£'000	£'000	£'000	£'000
Royalty payable	3,041	3,008	3,060	2,849
Obligations under finance leases	241	311	217	245
Trade creditors	4,825	3,917	4,612	3,589
Amounts owed to group undertakings	836	1,135	435	481
Corporation tax	8,728	8,754	8,055	7,634
Other taxation and social security payable	201	183	201	183
Accruals and deferred income	6,015	6,741	5,429	5,935
	<u>23,887</u>	<u>24,049</u>	<u>22,009</u>	<u>20,916</u>

18 Creditors: amounts falling due after more than one year

	Group		Company	
	1997	1996	1997	1996
	£'000	£'000	£'000	£'000
Obligations under finance leases	<u>214</u>	<u>225</u>	<u>147</u>	<u>142</u>

19 Overdrafts and loans

The company had overdraft facilities totalling £5,100,000 at the balance sheet date. This amount is guaranteed in full by the ultimate holding company Bertelsmann AG.

20 Finance leases

The future minimum lease payments to which the group and company are committed under finance leases and hire purchase contracts are as follows:-

	Group		Company	
	1997	1996	1997	1996
	£'000	£'000	£'000	£'000
In one year or less	241	311	217	245
Between one and two years	165	155	117	118
Between two and five years	49	70	30	24
	<u>455</u>	<u>536</u>	<u>364</u>	<u>387</u>

21 Pension arrangements

The group operates pension schemes in the United Kingdom and overseas. All schemes are contributory defined benefit schemes, the assets of the schemes being held in separate trustee administered funds.

The total pension cost for the group was £1,118,000 (1996: £942,000) of which £932,000 (1996: £745,000) relates to the United Kingdom company scheme.

Independent actuarial valuations on both discontinuance and a going concern basis by Sedgwick Noble Lowndes Limited of the United Kingdom company scheme at 1 July 1996 confirmed that the scheme was fully funded on both basis at that date. The actuarial attained age method was used, with an interest rate of 9.0% per annum and a pensionable salary increase rate of 7.0% per annum. The company contribution rate is 18.1%. The members'

contribution rate is currently 5.0%. The market value of the Scheme's managed fund at the actuarial valuation date, 1 July 1996, was £11,239,775.

A surplus brought forward of £246,000 is being written off over the estimated service lives of current employees of 15 years. An amount of £145,000 (1996: £188,000) is included in creditors, which represents the excess of the accumulated pension cost over the payment of contributions to pension funds.

The group also contributes to pension schemes in Australia and New Zealand. Information to calculate the adjustments required by SSAP 24 is not available and therefore the pension charges consolidated in the group accounts are those recorded in the local financial statements of the entities concerned. The pension charges for the Australia and New Zealand schemes were £163,000 (1996: £176,000) and £23,000 (1996: £20,000) respectively. These are based solely on contributions paid.

22 Called up share capital

	1997	1996
	£'000	£'000
Authorised		
5,000 ordinary shares of £1 each	<u>5</u>	<u>5</u>
Allotted, called up and fully paid		
5,000 ordinary shares of £1 each	<u>5</u>	<u>5</u>

23 Reserves

The movement on reserves during the period was as follows:-

	Translation reserve £'000	Profit and loss account £'000
Group		
At 30 June 1996	752	13,534
Translation difference	(299)	
Retained profit for the year		3,042
At 30 June 1997	<u>453</u>	<u>16,576</u>
		Profit and loss account £'000
Company		
At 30 June 1996		12,153
Retained profit for the year		3,374
At 30 June 1997		<u>15,527</u>

24 Guarantees and financial commitments

- (a) At 30 June 1997 the group had annual commitments in respect of land and buildings under non-cancellable operating leases as follows:

	1997 £'000	1996 £'000
Expiring within one year	0	9
Expiring between two and five years inclusive	593	257
Expiring in over five years	393	705
	<u>986</u>	<u>971</u>

The company's annual operating lease commitments in respect of land and buildings amount to £539,000 (1996: £523,000)

- (b) The group has a contractual obligation to pay royalties at future dates of £14,452,000 (1996: £18,528,000)
- (c) The company has a contractual obligation to pay royalties at future dates of £14,077,000 (1996: £18,285,000)

25 Reconciliation of movements in shareholders' funds

	1997	1996
	£'000	£'000
Profit for the financial year	10,042	8,212
Dividends	(7,000)	(6,000)
Other recognised gains/(losses) for the year	(299)	299
Net addition to shareholders' funds	2,743	2,511
Opening shareholders' funds	14,291	11,780
Closing shareholders' funds	17,034	14,291

26 Ultimate parent company

The company's immediate parent company is Bantam Doubleday Dell Publishing (UK) Limited, a company registered in England and Wales. Copies of the entity accounts of Bantam Doubleday Dell Publishing (UK) Limited may be obtained from its registered office at 61-63 Uxbridge Road, London W5 5SA.

The directors regard Bertelsmann AG, a company registered in Germany, as the ultimate parent company. Copies of the consolidated financial statements of Bertelsmann AG may be obtained from its registered office at Postfach 5555, Guetersloh 100, Germany.

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